

MEMORANDUM

~~CONFIDENTIAL~~

23 September 1949

TO: The Executive, CIA

THRU: Budget Officer, CIA
Assistant Director, Special Operations

FROM: Chief, Confidential Funds Branch

SUBJ: Shortage of Funds [REDACTED]

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Auth: HQ T-2	
Date: 26 SEP 1978	By: [REDACTED]

1. It is requested that the final report and recommendation to the Executive on subject shortage be postponed until further studies can be made.

2. A recent dispatch from [REDACTED] indicates that the amount of the shortage originally reported will be increased by \$800.00, representing an additional shortage dating back to July, 1948. This belated information indicates the desirability of securing additional facts from the field prior to formulating any conclusions or recommendations, or determining a course of remedial action, if necessary.

3. Accordingly, a cable was immediately dispatched to secure a further report from the Station to explain:

- (a) Why the shortage remained undetected or unreported to Headquarters for so many months.
- (b) The mechanics of reporting on sub-base accountability and reconciliation to book accountability.
- (c) Why the original investigation was released without apparent reconciliation to the books.
- (d) To what extent, if at all, the normal duties of the Finance Officer have been modified or restricted by local conditions.
- (e) Whether present financial control, procedures, and staff are deemed adequate.
- (f) Whether further audit and investigation by Headquarters personnel is deemed desirable.

4. It is believed that the answers to these questions may warrant suspension of any further action on this shortage, pending a field inspection by a Headquarters inspector. On the other hand, they may confirm that the shortage was due to unique temporary circumstances and that final action can properly be taken on the basis of present information.

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